

EXHIBIT G

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In the Matter

of

Case No.

1-08-01789

SECURITIES INVESTOR PROTECTION CORPORATION

V.

BERNARD L. MADOFF INVESTMENT SECURITIES, et al.,

Debtors.

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February 18, 2010

United States Custom House

One Bowling Green

New York, New York 10004

Motion for an Entry of Order Pursuant to Section
105(a) of the Bankruptcy Code and Rules 2002 and 9019 of
the Federal Rules of Bankruptcy Procedure Approving an
Agreement by and Among the Trustee and Jeanne Levy-Church
and Francis N. Levy, et al.

B E F O R E:

HON. BURTON R. LIFLAND,

U.S. Bankruptcy Judge

A P P E A R A N C E S:

BAKER HOSTETLER, LLP

Attorneys for Irving H. Picard, Trustee

45 Rockefeller Plaza

New York, New York 10017

BY: MARC E. HIRSCHFIELD, ESQ.

-and-

PAUL EYRE, ESQ.

1 Proceedings

2 THE COURT: Securities Investor Protection
3 vs. Bernard L. Madoff Investment Securities.

4 Is that based on the calendar or caption,
5 The Bankruptcy Link?

6 MR. HIRSCHFIELD: Calendar.

7 THE COURT: So we ought to recaption it
8 then.

9 MR. HIRSCHFIELD: Good morning, Your
10 Honor.

11 THE COURT: Good morning.

12 MR. HIRSCHFIELD: I am Marc Hirschfield,
13 from the law firm of Baker Hostetler, on behalf of the
14 Trustee. With me today is my colleague, Paul Eyre, who
15 helped work on the settlement.

16 Before the Court today is the motion under
17 Bankruptcy Rule 9019 seeking the Court's approval an
18 agreement with Jeanne Levy-Church and Francis Levy, adult
19 children of Betty and Norman Levy drew up an agreement the
20 Levys will return to the Trustee 220 million dollars.

21 By way of background, Your Honor, Norman
22 Levy was a real estate executive here in New York. He
23 began investing with Madoff in the mid-1970s.

24 Over the years, Mr. Levy opened up a number
25 of accounts with BLMIS for himself, for his wife, and for

1 various members of his family including his children and
2 the family and other charitable trusts. Mr. Levy passed
3 away in 2005, and throughout his life he placed great trust
4 in Mr. Madoff.

5 In his will, he appointed Madoff as one of
6 his executors and that granted Madoff the authority to make
7 unilateral decisions with regard to nonreal estate assets
8 of his estate.

9 Mr. Madoff unfortunately took advantage of
10 that trust and breached it, and after Mr. Levy's death
11 transferred 220 million dollars of non-Madoff assets.

12 THE COURT: As an executor --

13 MR. HIRSCHFIELD: Yes.

14 THE COURT: -- of the Levy estate?

15 MR. HIRSCHFIELD: Yes. He transferred it to
16 BLMIS and, of course, that money was lost along with all
17 the other money.

18 THE COURT: This is a bit of lack of
19 integrity we have not seen before.

20 MR. HIRSCHFIELD: I think there is no
21 floor to Mr. Madoff's integrity.

22 So, essentially, Your Honor, Madoff stole
23 the 220 million dollars from Mr. Levy's heirs. Even with
24 this 220 million dollars over the years the Levy account
25 holders took out more money from Madoff than they put in.

1 Therefore, Your Honor, under our parlance
2 they are not winners. Last spring Jeanne and Francis
3 Levy, the two heirs of Mr. Norman Levy approached us
4 through their counsel to begin to discuss their potential
5 liability. We did not contact them. They contacted us.

6 From the very beginning, Your Honor, they
7 made it very clear to us they want to do the right thing.
8 They felt badly about having other people's money and they
9 wanted to return to the Trustee the profits they received,
10 which was really other people's money.

11 After discussing with them various things
12 and learning about them and their finances and their assets
13 and their liabilities, the Trustee made a demand of them of
14 220 million dollars, which at that time was the six-year
15 number of the money that they took out.

16 In addition to that, Your Honor, the 220
17 million dollars another 84 million of false profits was
18 withdrawn by the Betty and Norman Levy Foundation, which
19 was a charitable trust which Mr. Levy and his wife had set
20 up. They told us, the Levis, and they gave us evidence to
21 corroborate all of this 84 million dollars which was
22 donated to charitable causes and the foundation has
23 virtually nothing left to which to return anything to the
24 Trustee.

25 Based upon this, the trustee in his

1 business judgment made the decision not to seek any
2 recovery from the trust. Again, to do so, from the
3 foundation rather, to do so would have been futile because
4 as I said they had nothing to give us. So, therefore,
5 trying to commence a lawsuit against the foundation would
6 have made no sense.

7 The Trustee does believe that the other
8 money withdrawn by the Levys is recoverable under Section
9 544, 548 and 550 of the Bankruptcy Code.

10 When the Levy executed liability to the
11 trust they agreed to pay us the amount we requested, 220
12 million dollars. That agreement is set forth in a
13 settlement agreement attached to the motion.

14 I will just highlight a few of the terms of
15 the agreement for the Court's reference.

16 Under the agreement, as mentioned the Levys
17 will pay us at closing which will happen very shortly after
18 an order approving the settlement has become final some 220
19 million dollars in one payment.

20 The Trustee and the Levis will exchange a
21 release and the Trustee will agree not to sue certain
22 entities that are related to the Levis.

23 The Levis have agreed, respectively, they
24 will assist us when asked in our effort to recover other
25 money from other people and, finally, there are two

1 children of Francis Levy, who unlike the other Levy
2 members, those accounts that they had with Madoff were not
3 losers.

4 They submitted claims before the bar date
5 and those two proofs of claim will be redeemed withdrawn as
6 part of the settlement. So there will be no recovery at
7 all on those two claims.

8 We believe the settlement is a very good
9 one and we ask for the Court's approval. In connection
10 with our motion, the Trustee submitted an affidavit to the
11 Court in which he stated that he believes the settlement is
12 appropriate in his business judgment and that the business
13 agreement falls well above the lowest point of
14 reasonableness.

15 While we believe we would have prevailed if
16 we had to sue the Levis, we don't believe we have collected
17 anything more than just getting this settlement. So,
18 therefore, we think it makes sense to have the settlement
19 agreement.

20 Your Honor, I just have one additional
21 thing to add, as we set forth in our motion and the public
22 statements, the Trustee very much appreciates the manner in
23 which the Levys conducted themselves throughout these
24 discussions.

25 As I said earlier, the discussions were, in

1 fact, initiated by the Levis. There were a lot of people
2 in this case who withdrew false profits and there are some
3 who are fighting us virtually tooth and nail not to return
4 the money, and others like the Levys and Optimal which we
5 previously settled came forward to voluntarily return the
6 money.

7 The Trustee, the Levis should serve as an
8 example to others in this case in a situation similar to
9 the Levys, and should come forward and like the Levys
10 return to us the amounts they've withdrawn.

11 In conclusion, Your Honor, we very much
12 think the settlement is a satisfactory one and we ask for
13 Your Honor's approval.

14 THE COURT: Does anyone else want to be
15 heard?

16 Well, I am going to approve the settlement,
17 based upon the papers before me and representations here.

18 It is clear that the Trustee has done an
19 appropriate level of due diligence in recommending the
20 settlement. Especially with respect to the concept of
21 abandoning certain actions based upon the difficulties
22 associated with the collection, that is with respect to the
23 foundation.

24 The settlement does resolve the spectre of
25 an expensive and protracted litigation, and it allows the

1 parties to go forward with a degree of comfort that there
2 are lawyers who are now out of the horizon to a certain
3 extent and certainly, the way the settlement has come about
4 and the amount, although interests could have demanded or
5 based upon information received, subsequent to the first
6 offer, it is clear that this settlement is well above the
7 lowest rung in a range of reasonableness and is right on
8 target in that regard and I will entertain an order
9 approving it.

10 MR. HIRSCHFIELD: Thank you, Your Honor.

11 THE COURT: I have approved the order.

12 MR. HIRSCHFIELD: Yes. Thank you, again,
13 Your Honor.

14 That would be all we have on the calendar
15 for today.

16 THE COURT: Thank you.

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18 * * *

C E R T I F I C A T E

STATE OF NEW YORK }
 } ss.:
COUNTY OF NEW YORK }

I, MINDY CORCORAN, a Shorthand Reporter
and Notary Public within and for the State of New York, do
hereby certify:

That I reported the proceedings in the
within entitled matter, and that the within transcript is a
true record of such proceedings.

I further certify that I am not related, by
blood or marriage, to any of the parties in this matter and
that I am in no way interested in the outcome of this
matter.

IN WITNESS WHEREOF, I have hereunto set my
hand this 19th day of February, 2010.

MINDY CORCORAN